

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1192

ANSWERED ON:07.12.2015

Import of Crude Oil

Banerjee Shri Abhishek;Chinnaraj Shri Gopalakrishnan;Dhruvanarayana Shri Rangaswamy;M. Smt. Vasanthi;Mullappally Shri Ramachandran;Nagar Shri Rodmal;Owaisi Shri Asaduddin;Paraste Shri Dalpat Singh;Sanjar Shri Alok

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the quantum of crude oil produced indigenously and imported in terms of rupee and foreign exchange spent on import of crude oil during the last three year and the current year from various countries including Saudi Arabia and other Middle East countries, countries, country-wise;
- (b) whether India's crude oil import bill has reduced drastically due to fall in international prices of crude oil and if so, the details thereof along with the future plan/estimate chalked out by Petroleum Planning and Analysis Cell in this regard;
- (c) whether the Government proposes to increase the import of crude oil and plan to increase/new strategic crude oil storage reserve in the country in view of declining international crude oil prices and if so, the details thereof along with the quantum of crude oil stock created by the Government, location-wise;
- (d) whether the political uncertainties in the Middle East region such as Iraq and Syria etc. pose a serious threat to Indian energy security and also to increase the prices of petroleum products in future and if so, the concrete steps taken in this regard;
- (e) whether the recent Iran-United States of America nuclear deal pose to lower oil prices in the world and if so, the details thereof along with the present oil supplies being made by Iran to India and payment made in terms of rupee as well during the said period; and
- (f) whether the Government proposes to change purchase/import policy of crude oil and gas through barter trade to avoid paying in dollars and if so, any bilateral talks held with gulf nations to imports crude oil/gas and if so, the details thereof, country-wise?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a): The details of crude oil produced indigenously from 2012-13 to 2015-16 (April to September 2015) and import of crude oil from various countries during the said period along with the details of foreign exchange spent on import of crude oil are given in Annexure I to III.

(b): The price of crude oil and petroleum products in the international markets fluctuate on a daily basis depending on various factors. There has been a decline in the international oil prices since July 2014 and the details thereon is given in Annexure-III.

(c): The requirement of crude oil imports for consumption of petro-products and fulfilling the needs of oil refineries is an inter-play of several factors like success in new production of crude oil, successful acquisition of assets or equity oil abroad, success in conservation efforts, etc. The Government, through Indian Strategic Petroleum Reserves Limited (ISPRL), is setting up Strategic Crude Oil Reserves with storage capacity of 5.33 Million Metric Tonnes (MMT) at three locations viz. Visakhapatnam (storage capacity: 1.33 MMT), Mangalore (storage capacity: 1.5 MMT) and Padur (storage capacity: 2.5 MMT). Filling of crude in Vishakhapatnam storage facility has been completed. In order to further increase the Strategic Crude Oil storage capacity, a detailed feasibility report has been prepared for construction of additional 12.5 MMT of strategic crude oil storages in Phase-II at four locations viz. Bikaner, Rajkot, Chandikhol and Padur.

(d): Public Sector Oil Companies have term contracts for supply of crude oil for its own and associate refineries, with various National Oil Companies (NOCs) of the Middle East. Supplies of crude oil from Middle East sources have by and large been smooth. Besides, Public Sector Oil Companies have made significant efforts to diversify their crude oil supply sources from other regions as well. India's crude oil import basket is continuously expanding over last few years.

(e): The price of crude oil and petroleum products in the international markets fluctuate on a daily basis depending on various factors. Further, the rupee payment arrangement with Iran is in place to ease payment in respect of imports of oil and to help facilitate payment to exporters in rupees.

(f): While there is no existing barter arrangement involving import of crude oil, Government continues to explore possibilities for such an arrangement.
